AMENDED IN ASSEMBLY AUGUST 24, 2006 AMENDED IN ASSEMBLY JUNE 20, 2006

SENATE BILL

No. 927

Introduced by Senator Lowenthal

(Coauthor: Assembly Member De La Torre)

February 22, 2005

An act to amend Sections 65089.6, 65302, 66484, and 66484.3 of the Government Code, to amend Section 99150 of the Public Utilities Code, to amend Section 75.9 of the Streets and Highways Code, and to amend Sections 21101 and 35701 of the Vehicle Code, relating to land use. An act to add a chapter heading immediately preceding Section 1720 of Part 2 of, and to add Chapter 2 (commencing with Section 1745) to Part 2 of Division 6 of, the Harbors and Navigation Code, relating to ports.

LEGISLATIVE COUNSEL'S DIGEST

SB 927, as amended, Lowenthal. General plans: circulation and transportation element. Ports: congestion relief: security enhancement: environmental mitigation: regulatory fee.

(1) Existing law regulates the operation of ports and harbors.

This bill would require the Ports of Los Angeles and Long Beach to develop a process for collecting a user fee on the owner of container cargo moving through the Port of Los Angeles or the Port of Long Beach at a rate of \$30 per twenty-foot equivalent unit (TEU).

The bill would require each port to retain $|\cdot|_3$ of the funds derived from imposition of the fee and transmit the remaining $|\cdot|_3$ in the amount of $|\cdot|_2$ to the Port Congestion Relief Trust Fund, which the bill would establish in the State Treasury, and $|\cdot|_2$ to the Port Mitigation

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Relief Trust Fund, which the bill would establish in the State Treasury.

The bill would require each port to use the funds retained as specified above exclusively for the purpose of funding projects to improve the security of the port and to fund the administrative costs for implementing this program.

The bill would require each port, in selecting projects for funding, to consult with the United States Coast Guard, the federal Department of Homeland Security, the state Office of Homeland Security, the Department of the California Highway Patrol, and other state and federal agencies that may assist the ports in determining which projects are best suited to protecting the ports and their surrounding communities.

The bill would require the moneys transmitted to the Port Congestion Relief Trust Fund, as specified above, to be available, upon appropriation, for expenditure by the California Transportation Commission exclusively for the purposes of funding rail projects that improve the rail system moving port container cargo to and from the ports, and funding the administrative costs of this program. The bill would prohibit moneys deposited in that fund from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

The bill would prohibit the commission from using the funds to construct, maintain, or improve highways.

The bill would require the commission to consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura and the Port and City of Los Angeles, the Port and City of Long Beach, and the Southern California Association of Governments in the process for selecting projects for funding.

The bill would require the moneys transmitted to the Port Mitigation Relief Trust Fund, as specified above, to be available, upon appropriation, for expenditure by the State Air Resources Board to develop a list of projects to mitigate environmental pollution caused by the movement of cargo to and from the ports, and for the administration of this program. The bill would prohibit moneys deposited in that fund from being loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.

The bill would establish a state-mandated local program by imposing these additional duties upon the ports.

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(2) The California Constitution requires the state to reimburse local agencies and school districts for certain costs mandated by the state. Statutory provisions establish procedures for making that reimbursement.

This bill would provide that no reimbursement is required by this act for a specified reason.

Existing law requires a general plan to include a statement of development policies and, among other elements, a circulation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, and military airports and ports, and other local public utilities and facilities, all correlated with the land use element of the plan.

This bill would rename the circulation element the circulation and transportation element and make other technical and conforming changes.

Vote: majority. Appropriation: no. Fiscal committee: no-yes. State-mandated local program: no-yes.

The people of the State of California do enact as follows:

1 SECTION 1. A chapter heading is added immediately 2 preceding Section 1720 of Part 2 of Division 6 of the Harbors 3 and Navigation Code, to read: 4

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CHAPTER 1. PORT FACILITY CONSTRUCTION

7 SEC. 2. Chapter 2 (commencing with Section 1745) is added 8 to Part 2 of Division 6 of the Harbors and Navigation Code, to 9 read:

Chapter 2. Ports of Los Angeles and Long Beach

1745. (a) The Legislature hereby finds and declares all of the following:

(1) There is a need to mitigate the enormous burden imposed on the highway transportation system serving the Ports of Los Angeles and Long Beach by the overland movement of cargo shipped from and to those ports. SB 927 —4—

(2) Due to unanticipated growth at the ports and new federal security requirements that are applicable to those ports, it is necessary to enhance the security of the ports.

- (3) The operation of the ports causes environmental pollution that requires mitigation.
- (4) The improvement of goods movement infrastructure would benefit the owner of container cargo moving through the ports by allowing the owner of the cargo to move container cargo more efficiently and to move more cargo through those ports.
- (5) The improvement of security at the ports would benefit the owner of container cargo by providing safe and secure facilities ensuring the safe and efficient movement of that container cargo.
- (6) The reduction of goods movement pollution would benefit the owner of container cargo moving through the ports by meeting federal air quality standards, which will allow for continued federal funding of goods movement infrastructure projects.
- (7) Accordingly, it is the intent of the Legislature to alleviate these burdens by imposing a fee on shipping containers processed through those ports and using the funds derived therefrom to do all of the following:
- (A) Improve the rail system that serves as an alternative to shipping via the highway by commercial vehicle, including, but not limited to, the ondock rail facilities at those ports.
 - (B) Enhance the security at the ports.
- (C) Mitigate the environmental pollution caused by port operations.
- (b) (1) There is hereby established in the State Treasury the Port Congestion Relief Trust Fund, which for purposes of this chapter shall be referred to as the Congestion Fund.
- (2) There is hereby established in the State Treasury the Port Mitigation Relief Trust Fund, which for purposes of this chapter shall be referred to as the Relief Fund.
- 1746. (A) Beginning January 1, 2007, the Port of Los Angeles (port) shall develop a process for notifying the owner of, and collecting a user fee on the owner of, container cargo moving through the port.
- 38 (b) No later than June 1, 2007, the port shall notify the owner 39 of cargo moving through the port that it will be assessed a user 40 fee not to exceed \$30 per twenty foot equivalent unit (TEU). The

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notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port, and to enhance the safety and security of the port.

- (c) Beginning January 1, 2008, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed \$30 per TEU. The port shall collect the fee at least twice a year.
- (1) The port shall remit one-third of the user fee to the Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the California Transportation Commission exclusively for the purposes of funding rail projects that improve the rail system moving port container cargo to and from the Ports of Los Angeles and Long Beach, and funding the administrative costs of this program, pursuant to this section. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (2) The port shall remit one-third of the user fee to the Relief Fund. Upon appropriation, moneys deposited in that fund shall be available to the State Air Resources Board to mitigate environmental pollution caused by the movement of cargo to and from the port by commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs for implementing this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (3) The port shall retain one-third of the user fee to fund port security programs authorized by this section.
- (d) The port shall use the funds retained under paragraph (3) of subdivision (c) exclusively for the purpose of funding projects to improve the security of the port, and to fund the administrative costs for implementing this program. Moneys retained by the port shall not be loaned or transferred to, or allocated or appropriated in any other way to, the port's General Fund or be used in any manner not consistent with the authority granted under this section.

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 (e) Beginning January 1, 2007 the port shall develop a list of projects that would improve and enhance the security of the port. The port shall consult with the United States Coast Guard, the federal Department of Homeland Security, the state Office of Homeland Security, the Department of the California Highway Patrol, and other state and federal agencies that may assist the port in determining a list of projects best suited to protecting the port and its surrounding communities.

- (f) No later than September 1, 2007, and at a public hearing, the port shall finalize a list of projects that would improve and enhance the security of the port. This will be the final list, of port security projects at the port eligible to be funded by the user fee authorized pursuant to this chapter. The port may determine, at a regularly scheduled public hearing, that other sources of security funding are sufficient to protect the port and surrounding communities. If this finding is made, the port shall not collect and retain one-third of the user fee for port security, but shall only collect the remaining two-thirds or \$20 per TEU for infrastructure and air quality improvements.
- (g) When all of the projects approved for funding under subdivision (d) are either complete and funded by the user fee or determined by the port to be no longer necessary, the port shall notify cargo owners that the user fee will be reduced by one-third. After this notification, the port shall reduce the user fee by one-third and no longer retain one-third of the user fee for port security funding.
- 1747. (a) Beginning January 1, 2007, the Port of Long Beach (port) shall develop a process for notifying the owner of, and collecting a user fee on the owner of, container cargo moving through the port.
- (b) No later than June 1, 2007, the port shall notify the owner of cargo moving through the port that it will be assessed a user fee not to exceed \$30 per twenty foot equivalent unit (TEU). The notice shall include, but not be limited to, the process for payment of the user fee, the frequency for payment of the user fee, and that the user fee is being assessed to improve the goods movement infrastructure serving the port, to reduce pollution from all forms of equipment, vehicles, locomotives, and ships that operate at the port and bring containers to and from the port, and to enhance the safety and security of the port.

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(c) Beginning January 1, 2008, the port shall assess a user fee on the owner of container cargo moving through the port not to exceed \$30 per TEU. The port shall collect the fee at least twice a year.

- (1) The port shall remit one-third of the user fee to the Congestion Fund. Upon appropriation, moneys deposited in that fund shall be available for expenditure by the California Transportation Commission exclusively for the purposes of funding rail projects that improve the rail system moving port container cargo to and from the Ports of Los Angeles and Long Beach, and funding the administrative costs of this program, pursuant to this section. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (2) The port shall remit one-third of the user fee to the Relief Fund. Upon appropriation, moneys deposited in that fund shall be available to the State Air Resources Board to mitigate environmental pollution caused by the movement of cargo to and from the ports via commercial motor vehicles, oceangoing vessels, and rail, and to fund the administrative costs for implementing this program. Moneys deposited in that fund shall not be loaned or transferred to, or allocated or appropriated in any other way to, the General Fund.
- (3) The port shall retain one-third of the user fee to fund port security programs authorized by this section.
- (d) The port shall use the funds retained under paragraph (3) of subdivision (c) exclusively for the purpose of funding projects to improve the security of the port, and to fund the administrative costs for implementing this program. Moneys retained by the port shall not be loaned or transferred to, or allocated or appropriated in any other way to, the port's General Fund or be used in any manner not consistent with the authority granted under this section.
- (e) Beginning January 1, 2007, the port shall develop a list of projects that would improve and enhance the security of the port. The port shall consult with the United States Coast Guard, the federal Department of Homeland Security, the state Office of Homeland Security, the Department of the California Highway Patrol, and other state and federal agencies that may assist the

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port in determining a list of projects best suited to protecting the port and its surrounding communities.

- (f) No later than September 1, 2007, and at a public hearing, the port shall finalize a list of projects that would improve and enhance the security of the port. This will be the final list, of port security projects at the port, eligible to be funded by the user fee authorized pursuant to this section. The port may determine, at a regularly scheduled public hearing, that other sources of security funding are sufficient to protect the port and surrounding communities. If this finding is made, the port shall not collect and retain one-third of the user fee for port security, but shall only collect the remaining two-thirds or \$20 per TEU for infrastructure and air quality improvements.
- (g) When all of the projects approved for funding under subdivision (d) are either complete and funded by the user fee or determined by the port to be no longer necessary, the port shall notify cargo owners that the user fee will be reduced by one-third. After this notification, the port shall reduce the user fee by one-third and no longer retain one-third for port security funding.
- 1748. (a) Beginning January 1, 2007, the California Transportation Commission, shall develop a list of projects that alleviate congestion on the highways serving the Ports of Los Angeles and Long Beach and improve the overall efficiency of container cargo movement by improving the rail system that transports container cargo from and to those ports and the on-dock rail facilities at those ports. In the process for selecting projects, the commission shall consult with the transportation commissions for the Counties of Los Angeles, Orange, Riverside, San Bernardino, and Ventura, and the Port and City of Los Angeles, the Port and City of Long Beach, and the Southern California Association of Governments. The commission shall also hold public hearings to seek further input on developing these projects.
- (b) No later than September 1, 2007, the commission, at a public hearing, shall finalize a list of projects that would alleviate the congestion on the highways serving the Ports of Los Angeles and Long Beach and improve the overall efficiency of container cargo movement by improving the rail system that transports container cargo from and to those ports and the

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on-dock rail facilities at those ports. This will be the final list, of infrastructure projects at the Ports of Los Angeles and Long Beach, eligible to be funded by the user fee authorized pursuant to this chapter.

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- (c) Projects eligible to be on the final list shall not be used to construct, maintain, or improve highways, unless the highway or road improvement is part of a rail grade separation.
- (d) Once the projects on the final list are complete and fully funded, the commission shall notify the Ports of Los Angeles and Long Beach, that the infrastructure projects are complete and to no longer collect the one-third of the user fee for infrastructure projects. The commission may also make a finding that a project on the final list has either been funded by another source or is no longer worthy of funding.
- 1749. (a) Beginning January 1, 2007, the State Air Resources Board shall develop a list of projects that reduce air pollution caused by the movement of container cargo to and from the Ports of Los Angeles and Long Beach. The projects on the list shall be consistent with the Emission Reduction Plan adopted March 2006, and shall have the overall goal of reducing air pollution at the ports in order to reach federal air quality attainment standards. The goal of the projects shall be to meet the plan's goals for 2010, 2015, and 2020. In developing the list, the board shall consult with the South Coast Air Quality Management District, the Gateway Council of Governments, and the Ports of Los Angeles and Long Beach.
- (b) No later than September 1, 2007, the State Air Resources Board, at a public hearing, shall finalize a list of projects that meeting the Emission Reduction Plan's goals for 2010, 2015, and 2020, in order to meet federal air quality attainment standards.
- (c) The State Air Resources Board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met at the Port of Los Angeles and once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Los Angeles of this determination, and the Port of Los Angeles shall no longer collect the one-third of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

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(d) The State Air Resources Board may determine, at a public hearing, that the emission reduction goals for 2020 have been met or exceeded and that federal air quality standards have been met at the Port of Long Beach and once the determination is made, and ensuring that all approved projects have been funded, the board shall notify the Port of Long Beach of this determination, and the Port of Long Beach shall no longer collect the one-third of the user fee for air quality projects meant to reach these goals and federal air quality attainment standards.

SEC. 3. No reimbursement is required by this act pursuant to Section 6 of Article XIII B of the California Constitution because a local agency or school district has the authority to levy service charges, fees, or assessments sufficient to pay for the program or level of service mandated by this act, within the meaning of Section 17556 of the Government Code.

SECTION 1. Section 65089.6 of the Government Code is amended to read:

65089.6. Failure to complete or implement a congestion management program shall not give rise to a cause of action against a city or county for failing to conform with its general plan, unless the city or county incorporates the congestion management program into the circulation and transportation element of its general plan.

SEC. 2. Section 65302 of the Government Code is amended to read:

65302. The general plan shall consist of a statement of development policies and shall include a diagram or diagrams and text setting forth objectives, principles, standards, and plan proposals. The plan shall include the following elements:

(a) A land use element that designates the proposed general distribution and general location and extent of the uses of the land for housing, business, industry, open space, including agriculture, natural resources, recreation, and enjoyment of scenic beauty, education, public buildings and grounds, solid and liquid waste disposal facilities, and other categories of public and private uses of land. The land use element shall include a statement of the standards of population density and building intensity recommended for the various districts and other territory covered by the plan. The land use element shall identify areas covered by the plan which are subject to flooding and shall

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be reviewed annually with respect to those areas. The land use element shall also do both of the following:

- (1) Designate in a land use category that provides for timber production those parcels of real property zoned for timberland production pursuant to the California Timberland Productivity Act of 1982, Chapter 6.7 (commencing with Section 51100) of Part 1 of Division 1 of Title 5.
- (2) Consider the impact of new growth on military readiness activities carried out on military bases, installations, and operating and training areas, when proposing zoning ordinances or designating land uses covered by the general plan for land, or other territory adjacent to military facilities, or underlying designated military aviation routes and airspace.
- (A) In determining the impact of new growth on military readiness activities, information provided by military facilities shall be considered. Cities and counties shall address military impacts based on information from the military and other sources.
 - (B) The following definitions govern this paragraph:
 - (i) "Military readiness activities" mean all of the following:
- (I) Training, support, and operations that prepare the men and women of the military for combat.
- (II) Operation, maintenance, and security of any military installation.
- (III) Testing of military equipment, vehicles, weapons, and sensors for proper operation or suitability for combat use.
- (ii) "Military installation" means a base, camp, post, station, yard, center, homeport facility for any ship, or other activity under the jurisdiction of the United States Department of Defense as defined in paragraph (1) of subsection (e) of Section 2687 of Title 10 of the United States Code.
- (b) A circulation and transportation element consisting of the general location and extent of existing and proposed major thoroughfares, transportation routes, terminals, any military airports and ports, and other local public utilities and facilities, all correlated with the land use element of the plan.
- 37 (c) A housing element as provided in Article 10.6 38 (commencing with Section 65580).
 - (d) A conservation element for the conservation, development, and utilization of natural resources including water and its

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hydraulic force, forests, soils, rivers and other waters, harbors,

- 2 fisheries, wildlife, minerals, and other natural resources. The
- 3 conservation element shall consider the effect of development
- 4 within the jurisdiction, as described in the land use element, on
- 5 natural resources located on public lands, including military
- 6 installations. That portion of the conservation element including
- 7 waters shall be developed in coordination with any countywide
- 8 water agency and with all district and city agencies that have
- 9 developed, served, controlled, or conserved water for any
- 10 purpose for the county or city for which the plan is prepared.
- 11 Coordination shall include the discussion and evaluation of any
- 12 water supply and demand information described in Section
- 13 65352.5, if that information has been submitted by the water
- 14 agency to the city or county. The conservation element may also
- 15 cover the following:

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- (1) The reclamation of land and waters.
- (2) Prevention and control of the pollution of streams and other waters.
- (3) Regulation of the use of land in stream channels and other areas required for the accomplishment of the conservation plan.
- (4) Prevention, control, and correction of the erosion of soils, beaches, and shores.
 - (5) Protection of watersheds.
- (6) The location, quantity and quality of the rock, sand and gravel resources.
 - (7) Flood control.
- The conservation element shall be prepared and adopted no later than December 31, 1973.
- (e) An open-space element as provided in Article 10.5 (commencing with Section 65560).
- 31 (f) A noise element which shall identify and appraise noise 32 problems in the community. The noise element shall recognize
- the guidelines established by the Office of Noise Control in the 33
- 34 State Department of Health Services and shall analyze and
- quantify, to the extent practicable, as determined by the 35
- 36 legislative body, current and projected noise levels for all of the
- 37 following sources:
- (1) Highways and freeways. 38
- 39 (2) Primary arterials and major local streets.

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(3) Passenger and freight online railroad operations and ground rapid transit systems.

- (4) Commercial, general aviation, heliport, helistop, and military airport operations, aircraft overflights, jet engine test stands, and all other ground facilities and maintenance functions related to airport operation.
- (5) Local industrial plants, including, but not limited to, railroad classification yards.
- (6) Other ground stationary noise sources, including, but not limited to, military installations, identified by local agencies as contributing to the community noise environment.

Noise contours shall be shown for all of these sources and stated in terms of community noise equivalent level (CNEL) or day-night average level ($L_{\rm dn}$). The noise contours shall be prepared on the basis of noise monitoring or following generally accepted noise modeling techniques for the various sources identified in paragraphs (1) to (6), inclusive.

The noise contours shall be used as a guide for establishing a pattern of land uses in the land use element that minimizes the exposure of community residents to excessive noise.

The noise element shall include implementation measures and possible solutions that address existing and foreseeable noise problems, if any. The adopted noise element shall serve as a guideline for compliance with the state's noise insulation standards.

(g) A safety element for the protection of the community from any unreasonable risks associated with the effects of seismically induced surface rupture, ground shaking, ground failure, tsunami, seiche, and dam failure; slope instability leading to mudslides and landslides; subsidence, liquefaction and other seismic hazards identified pursuant to Chapter 7.8 (commencing with Section 2690) of the Public Resources Code, and other geologic hazards known to the legislative body; flooding; and wild land and urban fires. The safety element shall include mapping of known seismic and other geologic hazards. It shall also address evacuation routes, military installations, peakload water supply requirements, and minimum road widths and elearances around structures, as those items relate to identified fire and geologic hazards.

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(1) Prior to the periodic review of its general plan and prior to preparing or revising its safety element, each city and county shall consult the Division of Mines and Geology of the Department of Conservation and the Office of Emergency Services for the purpose of including information known by and available to the department and the office required by this subdivision.

- (2) To the extent that a county's safety element is sufficiently detailed and contains appropriate policies and programs for adoption by a city, a city may adopt that portion of the county's safety element that pertains to the city's planning area in satisfaction of the requirement imposed by this subdivision.
- SEC. 3. Section 66484 of the Government Code is amended to read:
- 66484. (a) A local ordinance may require the payment of a fee as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares. The ordinance may require payment of fees pursuant to this section if all of the following requirements are satisfied:
- (1) The ordinance refers to the circulation and transportation element of the general plan and, in the case of bridges, to the transportation or flood control provisions thereof which identify railways, freeways, streams, or canyons for which bridge crossings are required on the general plan or local roads and in the case of major thoroughfares, to the provisions of the circulation and transportation element which identify those major thoroughfares whose primary purpose is to carry through traffic and provide a network connecting to the state highway system, if the circulation and transportation element, transportation or flood control provisions have been adopted by the local agency 30 days prior to the filing of a map or application for a building permit.
- (2) The ordinance provides that there will be a public hearing held by the governing body for each area benefited. Notice shall be given pursuant to Section 65091 and shall include preliminary information related to the boundaries of the area of benefit, estimated cost, and the method of fee apportionment. The area of benefit may include land or improvements in addition to the land

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or improvements which are the subject of any map or building permit application considered at the proceedings.

- (3) The ordinance provides that at the public hearing, the boundaries of the area of benefit, the costs, whether actual or estimated, and a fair method of allocation of costs to the area of benefit and fee apportionment are established. The method of fee apportionment, in the case of major thoroughfares, shall not provide for higher fees on land which abuts the proposed improvement except where the abutting property is provided direct usable access to the major thoroughfare. A description of the boundaries of the area of benefit, the costs, whether actual or estimated, and the method of fee apportionment established at the hearing shall be incorporated in a resolution of the governing body, a certified copy of which shall be recorded by the governing body conducting the hearing with the recorder of the county in which the area of benefit is located. The apportioned fees shall be applicable to all property within the area of benefit and shall be payable as a condition of approval of a final map or as a condition of issuing a building permit for the property or portions of the property. Where the area of benefit includes lands not subject to the payment of fees pursuant to this section, the governing agency shall make provision for payment of the share of improvement costs apportioned to those lands from other
- (4) The ordinance provides that payment of fees shall not be required unless the major thoroughfares are in addition to, or a reconstruction of, any existing major thoroughfares serving the area at the time of the adoption of the boundaries of the area of benefit.
- (5) The ordinance provides that payment of fees shall not be required unless the planned bridge facility is an original bridge serving the area or an addition to any existing bridge facility serving the area at the time of the adoption of the boundaries of the area of benefit. The fees shall not be expended to reimburse the cost of existing bridge facility construction.
- (6) The ordinance provides that if, within the time when protests may be filed under the provisions of the ordinance, there is a written protest, filed with the clerk of the legislative body, by the owners of more than one-half of the area of the property to be benefited by the improvement, and sufficient protests are not

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withdrawn so as to reduce the area represented to less than one-half of that to be benefited, then the proposed proceedings shall be abandoned, and the legislative body shall not, for one year from the filing of that written protest, commence or carry on any proceedings for the same improvement or acquisition under the provisions of this section.

- (b) Any protest may be withdrawn by the owner protesting, in writing, at any time prior to the conclusion of a public hearing held pursuant to the ordinance.
- (e) If any majority protest is directed against only a portion of the improvement then all further proceedings under the provisions of this section to construct that portion of the improvement so protested against shall be barred for a period of one year, but the legislative body may commence new proceedings not including any part of the improvement or acquisition so protested against. Nothing in this section prohibits a legislative body, within that one-year period, from commencing and carrying on new proceedings for the construction of a portion of the improvement so protested against if it finds, by the affirmative vote of four-fifths of its members, that the owners of more than one-half of the area of the property to be benefited are in favor of going forward with that portion of the improvement or acquisition.
- (d) Nothing in this section precludes the processing and recordation of maps in accordance with other provisions of this division if the proceedings are abandoned.
- (e) Fees paid pursuant to an ordinance adopted pursuant to this section shall be deposited in a planned bridge facility or major thoroughfare fund. A fund shall be established for each planned bridge facility project or each planned major thoroughfare project. If the benefit area is one in which more than one bridge is required to be constructed, a fund may be so established covering all of the bridge projects in the benefit area. Money in the fund shall be expended solely for the construction or reimbursement for construction of the improvement serving the area to be benefited and from which the fees comprising the fund were collected, or to reimburse the local agency for the cost of constructing the improvement.

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(f) An ordinance adopted pursuant to this section may provide for the acceptance of considerations in lieu of the payment of fees.

- (g) A local agency imposing fees pursuant to this section may advance money from its general fund or road fund to pay the cost of constructing the improvements and may reimburse the general fund or road fund for any advances from planned bridge facility or major thoroughfares funds established to finance the construction of those improvements.
- (h) A local agency imposing fees pursuant to this section may incur an interest-bearing indebtedness for the construction of bridge facilities or major thoroughfares. However, the sole security for repayment of that indebtedness shall be moneys in planned bridge facility or major thoroughfares funds.
- (i) The term "construction" as used in this section includes design, acquisition of right-of-way, administration of construction contracts, and actual construction.
- (j) The term "construction," as used in this section, with respect to the unincorporated area of San Diego County only, includes design, acquisition of rights-of-way, and actual construction, including, but not limited to, all direct and indirect environmental, engineering, accounting, legal, administration of construction contracts, and other services necessary therefor. The term "construction," with respect to the unincorporated area of San Diego County only, also includes reasonable administrative expenses, not exceeding three hundred thousand dollars (\$300,000) in any calendar year after January 1, 1986, as adjusted annually for any increase or decrease in the Consumer Price Index of the Bureau of Labor Statistics of the United States Department of Labor for all Urban Consumers, San Diego, California (1967 = 100), as published by the United States Department of Commerce for the purpose of constructing bridges and major thoroughfares. "Administrative expenses" means those office, personnel, and other customary and normal expenses associated with the direct management and administration of the agency, but not including costs of construction.
- (k) Nothing in this section precludes a county or city from providing funds for the construction of bridge facilities or major thoroughfares to defray costs not allocated to the area of benefit.

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SEC. 4. Section 66484.3 of the Government Code is amended 2 to read:

66484.3. (a) Notwithstanding Section 53077.5, the Board of Supervisors of the County of Orange and the city council or councils of any city or cities in that county may, by ordinance, require the payment of a fee as a condition of approval of a final map or as a condition of issuing a building permit for purposes of defraying the actual or estimated cost of constructing bridges over waterways, railways, freeways, and canyons, or constructing major thoroughfares.

- (b) The local ordinance may require payment of fees pursuant to this section if:
- (1) The ordinance refers to the circulation and transportation element of the general plan and, in the case of bridges, to the transportation provisions or flood control provisions of the general plan which identify railways, freeways, streams, or canvons for which bridge crossings are required on the general plan or local roads, and in the case of major thoroughfares, to the provisions of the circulation and transportation element which identify those major thoroughfares whose primary purpose is to carry through traffic and provide a network connecting to or which is part of the state highway system, and the circulation and transportation element, transportation provisions, or flood control provisions have been adopted by the local agency 30 days prior to the filing of a map or application for a building permit. Bridges which are part of a major thoroughfare need not be separately identified in the transportation or flood control provisions of the general plan.
- (2) The ordinance provides that there will be a public hearing held by the governing body for each area benefited. Notice shall be given pursuant to Section 65905. In addition to the requirements of Section 65905, the notice shall contain preliminary information related to the boundaries of the area of benefit, estimated cost, and the method of fee apportionment. The area of benefit may include land or improvements in addition to the land or improvements which are the subject of any map or building permit application considered at the proceedings.
- (3) The ordinance provides that at the public hearing, the boundaries of the area of benefit, the costs, whether actual or estimated, and a fair method of allocation of costs to the area of

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benefit and fee apportionment are established. The method of fee apportionment, in the case of major thoroughfares, shall not provide for higher fees on land which abuts the proposed improvement except where the abutting property is provided direct usable access to the major thoroughfare. A description of the boundaries of the area of benefit, the costs, whether actual or estimated, and the method of fee apportionment established at the hearing shall be incorporated in a resolution of the governing body, a certified copy of which shall be recorded by the governing body conducting the hearing with the recorder of the County of Orange. The resolution may subsequently be modified in any respect by the governing body. Modifications shall be adopted in the same manner as the original resolution, except that the resolution of a city or county which has entered into a joint exercise of powers agreement pursuant to subdivision (f), relating to constructing bridges over waterways, railways, freeways, and canyons or constructing major thoroughfares by the joint powers agency, may be modified by the joint powers agency following public notice and a public hearing, if the joint powers agency has complied with all applicable laws, including Chapter 5 (commencing with Section 66000) of Division 1. Any modification shall be subject to the protest procedures prescribed by paragraph (6). The resolution may provide for automatic periodic adjustment of fees based upon the California Construction Cost Index prepared and published by the Department of Transportation, without further action of the governing body, including, but not limited to, public notice or hearing. The apportioned fees shall be applicable to all property within the area of benefit and shall be payable as a condition of approval of a final map or as a condition of issuing a building permit for any of the property or portions of the property. Where the area of benefit includes lands not subject to the payment of fees pursuant to this section, the governing body shall make provision for payment of the share of improvement costs apportioned to those lands from other sources, but those sources need not be identified at the time of the adoption of the

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(4) The ordinance provides that payment of fees shall not be required unless the major thoroughfares are in addition to, or a reconstruction or widening of, any existing major thoroughfares

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serving the area at the time of the adoption of the boundaries of the area of benefit.

- (5) The ordinance provides that payment of fees shall not be required unless the planned bridge facility is an original bridge serving the area or an addition to any existing bridge facility serving the area at the time of the adoption of the boundaries of the area of benefit. Fees imposed pursuant to this section shall not be expended to reimburse the cost of existing bridge facility construction, unless these costs are incurred in connection with the construction of an addition to an existing bridge for which fees may be required.
- (6) The ordinance provides that if, within the time when protests may be filed under its provisions, there is a written protest, filed with the clerk of the legislative body, by the owners of more than one-half of the area of the property to be benefited by the improvement, and sufficient protests are not withdrawn so as to reduce the area represented to less than one-half of that to be benefited, then the proposed proceedings shall be abandoned, and the legislative body shall not, for one year from the filing of that written protest, commence or carry on any proceedings for the same improvement or acquisition under this section, unless the protests are overruled by an affirmative vote of four-fifths of the legislative body.

Nothing in this section shall preclude the processing and recordation of maps in accordance with other provisions of this division if proceedings are abandoned.

Any protests may be withdrawn in writing by the owner who filed the protest, at any time prior to the conclusion of a public hearing held pursuant to the ordinance.

If any majority protest is directed against only a portion of the improvement then all further proceedings under the provisions of this section to construct that portion of the improvement so protested against shall be barred for a period of one year, but the legislative body shall not be barred from commencing new proceedings not including any part of the improvement or acquisition so protested against. Nothing in this section shall prohibit the legislative body, within the one-year period, from commencing and carrying on new proceedings for the construction of a portion of the improvement so protested against if it finds, by the affirmative vote of four-fifths of its members,

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that the owners of more than one-half of the area of the property to be benefited are in favor of going forward with that portion of the improvement or acquisition.

If the provisions of this paragraph (6), or provisions implementing this paragraph contained in any ordinance adopted pursuant to this section, are held invalid, that invalidity shall not affect other provisions of this section or of the ordinance adopted pursuant thereto, which can be given effect without the invalid provision, and to this end the provisions of this section and of an ordinance adopted pursuant thereto are severable.

- (c) Fees paid pursuant to an ordinance adopted pursuant to this section shall be deposited in a planned bridge facility or major thoroughfare fund. A fund shall be established for each planned bridge facility project or each planned major thoroughfare project. If the benefit area is one in which more than one bridge or major thoroughfare is required to be constructed, a fund may be so established covering all of the bridge or major thoroughfare projects in the benefit area. Except as otherwise provided in subdivision (g), moneys in the fund shall be expended solely for the construction or reimbursement for construction of the improvement serving the area to be benefited and from which the fees comprising the fund were collected, or to reimburse the county or a city for the cost of constructing the improvement.
- (d) An ordinance adopted pursuant to this section may provide for the acceptance of considerations in lieu of the payment of fees
- (e) The county or a city imposing fees pursuant to this section may advance money from its general fund or road fund to pay the cost of constructing the improvements and may reimburse the general fund or road fund from planned bridge facilities or major thoroughfares funds established to finance the construction of the improvements.
- (f) The county or a city imposing fees pursuant to this section may incur an interest-bearing indebtedness for the construction of bridge facilities or major thoroughfares. The sole security for repayment of the indebtedness shall be moneys in planned bridge facilities or major thoroughfares funds. A city or county imposing fees pursuant to this section may enter into joint exercise of powers agreements with other local agencies imposing fees pursuant to this section, for the purpose of, among

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1 others, jointly exercising as a duly authorized original power 2 established by this section, in addition to those through a joint 3 exercise of powers agreement, those powers authorized in 4 Chapter 5 (commencing with Section 31100) of Division 17 of 5 the Streets and Highways Code for the purpose of constructing 6 bridge facilities and major thoroughfares in lieu of a tunnel and 7 appurtenant facilities, and, notwithstanding Section 31200 of the 8 Streets and Highways Code, may acquire by dedication, gift, 9 purchase, or eminent domain, any franchise, rights, privileges, 10 easements, or other interest in property, either real or personal, necessary therefor on segments of the state highway system, 11 12 including, but not limited to, those segments of the state highway 13 system eligible for federal participation pursuant to Title 23 of the United States Code. 14

An entity constructing bridge facilities and major thoroughfares pursuant to this section shall design and construct the bridge facilities and major thoroughfares to the standards and specifications of the Department of Transportation then in effect, and may, at any time, transfer all or a portion of the bridge facilities and major thoroughfares to the state subject to the terms and conditions as shall be satisfactory to the Director of the Department of Transportation. Any of these bridge facilities and major thoroughfares shall be designated as a portion of the state highway system prior to its transfer. The participants in a joint exercise of powers agreement may also exercise as a duly authorized original power established by this section the power to establish and collect toll charges only for paying for the costs of construction of the major thoroughfare for which the toll is charged and for the costs of collecting the tolls, except that a joint powers agency, which is the lending agency, may, notwithstanding subdivision (e), make toll revenues and fees imposed pursuant to this section available to another joint powers agency, which is the borrowing agency, established for the purpose of designing, financing, and constructing coordinated and interrelated major thoroughfares, in the form of a subordinated loan, to pay for the cost of construction and toll collection of major thoroughfares other than the major thoroughfares for which the toll or fee is charged, if the lending agency has complied with all applicable laws, including Chapter 5 (commencing with Section 66000) of Division 1, and if the __23__ SB 927

borrowing agency is required to pay interest on the loan to the lending agency at a rate equal to the interest rate charged on funds loaned from the Pooled Money Investment Account. Prior to executing the loan, the lending agency shall make all of the following findings:

- (1) The major thoroughfare for which the toll or fee is charged will benefit from the construction of the major thoroughfare to be constructed by the borrowing agency or will benefit financially by a sharing of revenues with the borrowing agency.
- (2) The lending agency will possess adequate financial resources to fund all costs of construction of existing and future projects that it plans to undertake prior to the final maturity of the loan, after funding the loan, and taking into consideration its then existing funds, its present and future obligations, and the revenues and fees it expects to receive.
- (3) The funding of the loan will not materially impair its financial condition or operations during the term of the loan.

Major thoroughfares from which tolls are charged shall utilize the toll collection equipment most capable of moving vehicles expeditiously and efficiently, and which is best suited for that purpose, as determined by the participants in the joint exercise of powers agreement. However, in no event shall the powers authorized in Chapter 5 (commencing with Section 31100) of Division 17 of the Streets and Highways Code be exercised unless a resolution is first adopted by the legislative body of the agency finding that adequate funding for the portion of the cost of constructing those bridge facilities and major thoroughfares not funded by the development fees collected by the agency is not available from any federal, state, or other source. Any major thoroughfare constructed and operated as a toll road pursuant to this section shall only be constructed parallel to other public thoroughfares and highways.

(g) The term "construction," as used in this section, includes design, acquisition of rights-of-way, and actual construction, including, but not limited to, all direct and indirect environmental, engineering, accounting, legal, administration of construction contracts, and other services necessary therefor. The term "construction" also includes reasonable general agency administrative expenses, not exceeding three hundred thousand dollars (\$300,000) in any calendar year after January 1, 1986, as

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1 adjusted annually for any increase or decrease in the Consumer 2 Price Index of the Bureau of Labor Statistics of the United States 3 Department of Labor for all Urban Consumers, Los 4 Angeles-Long Beach-Anaheim, California (1967=100), as 5 published by the United States Department of Commerce, by 6 each agency created pursuant to Article 1 (commencing with 7 Section 6500) of Chapter 5 of Division 7 of Title 1 for the 8 purpose of constructing bridges and major thoroughfares. 9 "General agency administrative expenses" means those office, 10 personnel, and other customary and normal expenses associated 11 with the direct management and administration of the agency, but 12 not including costs of construction.

(h) Fees paid pursuant to an ordinance adopted pursuant to this section may be utilized to defray all direct and indirect financing costs related to the construction of the bridges and major thoroughfares by the joint powers agency. Because the financing costs of bridges and major thoroughfares for which a toll charge shall be established or collected represent a necessary element of the total cost of those bridges and major thoroughfares, the joint powers agency constructing those facilities may include a charge for financing costs in the calculation of the fee rate. The charge shall be based on the estimated financing cost of any eligible portion of the bridges and major thoroughfares for which tolls shall be collected. The eligible portion shall be any or all portions of the major thoroughfare for which a viable financial plan has been adopted by the joint powers agency on the basis of revenues reasonably expected by the joint powers agency to be available to the thoroughfare, after consultation with representatives of the fee payers. For purposes of calculating the charge, financing costs shall include only reasonable allowances for payments and charges for principal, interest, and premium on indebtedness, letter of credit fees and charges, remarketing fees and charges, underwriters' discount, and other costs of issuance, less net earnings on bridge and major thoroughfare funds by the joint powers agency prior to the opening of the facility to traffic after giving effect to any payments from the fund to preserve the federal income tax exemption on the indebtedness. For purposes of calculating the charge for financing costs in the calculation of the fee rate only, financing costs shall not include any allowance for the cost of any interest paid on indebtedness with regard to __25__ SB 927

each eligible portion after the estimated opening of the portion to traffic as established by the joint powers agency. Any and all challenges to any financial plan or financing costs adopted or calculated pursuant to this section shall be governed by subdivision (k).

- (i) Nothing in this section shall be construed to preclude the County of Orange or any city within that county from providing funds for the construction of bridge facilities or major thoroughfares to defray costs not allocated to the area of benefit.
- (j) Any city within the County of Orange may require the payment of fees in accordance with this section as to any property in an area of benefit within the city's boundaries, for facilities shown on its general plan or the county's general plan, whether the facilities are situated within or outside the boundaries of the city, and the county may expend fees for facilities or portions thereof located within cities in the county.
- (k) The validity of any fee required pursuant to this section shall not be contested in any action or proceeding unless commenced within 60 days after recordation of the resolution described in paragraph (3) of subdivision (b). The provisions of Chapter 9 (commencing with Section 860) of Title 10 of Part 2 of the Code of Civil Procedure shall be applicable to this action or proceeding. This subdivision shall also apply to modifications of fee programs.
- (1) If the County of Orange and any city within that county have entered into a joint powers agreement for the purpose of constructing the bridges and major thoroughfares referred to in Sections 50029 and 66484.3, and if a proposed change of organization or reorganization includes any territory of an area of benefit established pursuant to Sections 50029 and 66484.3, within a successor local agency, the local agency shall not take any action that would impair, delay, frustrate, obstruct, or otherwise impede the construction of the bridges and major thoroughfares referred to in this section.
- (m) Nothing in this section prohibits the succession of all powers, obligations, liabilities, and duties of any joint powers agency created pursuant to subdivision (*l*) to an entity with comprehensive countywide transportation planning and operating authority that is statutorily created in the County of Orange and

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1 which is statutorily authorized to assume those powers, 2 obligations, liabilities, and duties.

SEC. 5. Section 99150 of the Public Utilities Code is amended to read:

99150. In locating its bus stops, park and ride service facilities, and special service terminal points and stations, a transit district shall consult with, and consider the recommendations of, the city if transit facilities are to be located therein, or the county if transit facilities are to be located in the unincorporated area thereof, on the proposed locations.

The city or county, as the case may be, in making its recommendations to the transit district on the proposed location of the transit facilities, shall consider whether the proposed location is consistent with the circulation and transportation element of its general plan.

SEC. 6. Section 75.9 of the Streets and Highways Code is amended to read:

75.9. Upon the selection, adoption, and determination of the location for a state highway or freeway, the commission shall notify all planning agencies and legislative bodies having responsibility pursuant to Section 65300 of the Government Code for the adoption of the general plan or plans in the area affected by the commission action. Within 90 days after receipt of such notice, all planning agencies and legislative bodies shall revise the circulation and transportation element of their general plans to reflect the commission action.

SEC. 7. Section 21101 of the Vehicle Code is amended to read:

21101. Local authorities, for those highways under their jurisdiction, may adopt rules and regulations by ordinance or resolution on the following matters:

- (a) Closing any highway to vehicular traffic when, in the opinion of the legislative body having jurisdiction, the highway is either of the following:
 - (1) No longer needed for vehicular traffic.
- (2) The closure is in the interests of public safety and all of the following conditions and requirements are met:
- 38 (A) The street proposed for closure is located in a county with a population of 6,000,000 or more.

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(B) The street has an unsafe volume of traffic and a significant incidence of crime.

- (C) The affected local authority conducts a public hearing on the proposed street closure.
- (D) Notice of the hearing is provided to residents and owners of property adjacent to the street proposed for closure.
- (E) The local authority makes a finding that closure of the street likely would result in a reduced rate of crime.
- (b) Designating any highway as a through highway and requiring that all vehicles observe official traffic control devices before entering or crossing the highway or designating any intersection as a stop intersection and requiring all vehicles to stop at one or more entrances to the intersection.
- (c) Prohibiting the use of particular highways by certain vehicles, except as otherwise provided by the Public Utilities Commission pursuant to Article 2 (commencing with Section 1031) of Chapter 5 of Part 1 of Division 1 of the Public Utilities Code.
- (d) Closing particular streets during regular school hours for the purpose of conducting automobile driver training programs in the secondary schools and colleges of this state.
- (e) Temporarily closing a portion of any street for celebrations, parades, local special events, and other purposes when, in the opinion of local authorities having jurisdiction or a public officer or employee that the local authority designates by resolution, the closing is necessary for the safety and protection of persons who are to use that portion of the street during the temporary closing.
- (f) Prohibiting entry to, or exit from, or both, from any street by means of islands, curbs, traffic barriers, or other roadway design features to implement the circulation and transportation element of a general plan adopted pursuant to Article 5 (commencing with Section 65300) of Chapter 3 of Division 1 of Title 7 of the Government Code. The rules and regulations authorized by this subdivision shall be consistent with the responsibility of local government to provide for the health and safety of its citizens.
- SEC. 8. Section 35701 of the Vehicle Code is amended to read:

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35701. (a) Any city, or county for a residence district, may, by ordinance, prohibit the use of a street by any commercial vehicle or by any vehicle exceeding a maximum gross weight limit, except with respect to any vehicle which is subject to Sections 1031 to 1036, inclusive, of the Public Utilities Code, and except with respect to vehicles used for the collection and transportation of garbage, rubbish, or refuse using traditionally used routes in San Diego County when the solid waste management plan prepared under Section 66780.1 of the Government Code is amended to designate each traditionally used route used for the purpose of transporting garbage, rubbish, or refuse which intersects with a local or regional arterial circulation route contained within a city or county's traffic circulation and transportation element and which provides access to a solid waste disposal site.

- (b) The ordinance shall not be effective until appropriate signs are erected indicating either the streets affected by the ordinance or the streets not affected, as the local authority determines will best serve to give notice of the ordinance.
- (c) No ordinance adopted pursuant to this section after November 10, 1969, shall apply to any state highway which is included in the National System of Interstate and Defense Highways, except an ordinance which has been approved by a two-thirds vote of the California Transportation Commission.
- (d) The solid waste management plan prepared under Section 66780.1 of the Government Code by San Diego County may designate the traditionally used routes.
- (e) "Traditionally used route," for purposes of this section, means any street used for a period of one year or more as access to or from a solid waste disposal site.